

Office of The Chief Engineer

Maharashtra State Load Dispatch Center, Thane-Belapur Road, P.O. Airoli,
Navi Mumbai Pin – 400 708.

Tele :91-22-27601765/1766/1931/2937

Fax :91-22-27601769/2936

Email : cesldc@mahasldc.in

website : <http://www.mahasldc.in>

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EXECUTIVE SUMMARY

Maharashtra State Load Despatch Centre (MSLDC) is the apex body for integrated operation of electricity grid in the State of Maharashtra and constituted under Section 31 of the Electricity Act (EA), 2003. MSLDC operates from two centres i.e., at Kalwa and Ambazari (Nagpur) in Maharashtra and an additional sub-LDC Mumbai which is shifted to MSLDC Control room and being operated through separate desk.

In accordance with the first proviso to Section 31(2) of the EA 2003, the Maharashtra State Electricity Transmission Company Limited (MSETCL), which is the State Transmission Utility (STU) in the State of Maharashtra, operates the MSLDC.

The Hon'ble Commission notified the MERC (Multi Year Tariff) Regulations 2015 (the MYT Regulations 2015) on 8 December, 2015. In accordance with the provisions of the said Regulations, MSLDC filed it Multi Year Tariff (MYT) Petition for the Control Period FY 2016-17 to FY 2019-20. The Petition also sought for Truing up of Budget of Cost of operations for FY 2014-15, Provisional Truing-Up for FY 2015-16. The Commission after due consideration had issued the Order in the matter of Truing up of Budget of Cost of operations for FY 2014-15, Provisional Truing-Up for FY 2015-16 and ARR forecast and determination of Fees and Charges for FY 2016-17 to FY 2019-20 on 22 July 2016 (Case No. 20 of 2016).

In accordance with Regulation 8.1 of the MYT Regulations, 2015, MSLDC is required to submit the Mid-Term Review for Commission's approval. Accordingly, MSLDC is filing present Mid-term Review (MTR) Petition for:

- a) Approval of Truing-up of Budget Cost of MSLDC for FY 2015-16
- b) Approval of Truing-up of Annual Fixed Cost of MSLDC for FY 2016-17.
- c) Provisional Truing-up of Annual Fixed Cost of MSLDC for FY 2017-18

- d) Approval of revised ARR forecast for FY 2018-19 to FY 2019-20 and Determination of Fees and Charges for FY 2018-19 to FY 2019-20.

The present filing for the truing-up for FY 2015-16 is based on applicable provisions of the MERC (Multi Year Tariff) Regulations, 2011 (The MYT Regulations, 2011) and the principles set vide Order dated 16 May 2006 in Case No. 30 of 2005. Filing for the truing-up for FY 2016-17, the provisional truing-up for FY 2017-18 and revised ARR forecast for FY 2018-19 and FY 2019-20 is based on applicable provisions of the MYT Regulations, 2015.

True-up for FY 2015-16:

In the Order in Case No.20 of 2016 dated 22 July, 2016 the provisional true-up approved for FY 2015-16 was surplus of Rs. 778.94 Lakh. The head wise actual expenditure against actual receipts and surplus/ shortfall shown is summarized in the table below:

Table 1: True-Up for FY 2015-16 (Rs. Lakh)

Sr. No.	Particulars	FY 2015-16		
		Approved in Case No. 20 of 2016	April-March (Audited)	True-Up requirement
		(a)	(b)	(c) = (b) - (a)
1	Operating Cost Budget			
2	Operation & Maintenance Expenses	2,261.39	2,182.12	(79.27)
3	Interest on Working Capital	94.92	93.11	(1.81)
4	RLDC Fees and WRPC Charges	627.03	658.35	31.32
5	Sub-total (Operating Cost Budget)	2,983.33	2,933.59	(49.74)
6	Capital Cost Budget			
7	Depreciation Expenses	271.51	304.42	32.91
8	Interest on Loan Capital	202.52	305.75	103.23
9	Return on Equity Capital	178.99	224.26	45.27
10	Sub-total (Capital Cost Budget)	653.01	834.43	181.42
	Add: Impact of Sharing of G&L		26.42	26.42
11	Total Expenses	3,636.34	3,794.44	158.10
12	SLDC Revenue Components			
13	Income from Annual SLDC Fees	675.72	675.72	-
14	Income from Monthly SLDC Operating Charges	1,771.00	1,884.54	113.54
15	SLDC Scheduling Charges	1,641.05	2,140.09	499.04

Sr. No.	Particulars	FY 2015-16		
		Approved in Case No. 20 of 2016	April-March (Audited)	True-Up requirement
		(a)	(b)	(c) = (b) - (a)
16	Rescheduling Charges	160.11	163.20	3.09
17	Other receipts	62.36	103.88	41.52
18	Total Revenue	4,310.24	4,967.43	657.19
19	Revenue Gap/(Surplus)	(673.90)	(1,173.00)	(499.10)
20	Holding Cost on Revenue Surplus of FY 2014-15	(105.04)	(105.04)	
21	Total Revenue Gap/(Surplus)	(778.94)	(1278.04)	(499.10)
			(499.10)	

Thus, on final truing up for FY 2015-16, there is surplus of Rs. 499.10 Lakh, treatment of which has been considered as part of the claim for FY 2018-19 and FY 2019-20.

True-up for FY 2016-17:

In the Commission's Order in Case No.20 of 2016 dated 22 July, 2016 the ARR forecast for FY 2016-17 was 1484.17 Lakh. The head wise actual expenditure against actual receipts and surplus/shortfall shown is summarized in the table below:

Table 2: Final True-Up for FY 2016-17 (Rs. Lakh)

Sr. No.	Particulars	FY 2016-17		
		Approved in Order 20 of 2016	April to March (Audited)	Truing Up Requirement
1	Operation & Maintenance Expenses	1963.11	1994.06	30.95
2	Depreciation Expenses	350.92	343.48	(7.44)
3	Interest on Loan Capital	207.90	284.93	77.03
4	Interest on Working Capital	37.70	27.41	(10.29)
5	RLDC Fees and WRPC Charges	388.62	632.31	243.69
6	Reactive Energy Charges paid to Generators/TSUs	0.00	0.00	0.00
7	Income Tax	0.00	0.00	0.00
8	Total Revenue Expenditure	2948.25	3282.19	333.94
9	Return on Equity Capital	202.98	234.44	31.46
10	Total Expenditure for MSLDC	3151.24	3516.63	365.39
11	Less: Non-Tariff Income	17.18	262.63	245.45
12	Less: Income from Open Access charges	1010.36	2546.65	1536.29

Sr. No.	Particulars	FY 2016-17		
		Approved in Order 20 of 2016	April to March (Audited)	Truing Up Requirement
13	Less: Income from Reactive Energy Charges	0.00	0.00	0.00
	Gross AFC	2123.70	707.35	(1416.35)
	Add: Impact of sharing of G&L		(20.63)	
	Less: Adjustment of Surplus	639.53	0.00	
14	Annual Fixed Charges for MSLDC	1484.17	686.72	(797.45)
	Revenue approved/actual	1484.17	1698.50	214.33
	Standalone Revenue gap/(surplus)		(1011.78)	

Thus, on final truing up for FY 2016-17, there is a surplus of Rs. 1011.78 Lakh, treatment of which has been considered as part of the claim for FY 2018-19 and FY 2019-20.

Provisional True-up for FY 2017-18

For the provisional truing up for FY 2017-18, MSLDC considered actual unaudited expenses from April, 2017 to September, 2017 (6 months) for FY 2017-18 and estimates for the various expenses and revenue for balance months for FY 2017-18. In the Order in Case No. 20 of 2016 dated 22 July, 2016, the approved AFC for FY 2017-18 was Rs. 1,879.60 Lakh. The head wise estimated expenditure against approved receipts and surplus/ shortfall shown is summarized in the table below:

Table 3: Provisional True-Up for FY 2017-18

(Rs. Lakh)

Sr. No.	Particulars	FY 2017-18		
		Approved in Order 20 of 2016	April to March (Estimated)	Provisional Truing Up Requirement
1	Operation & Maintenance Expenses	2021.42	2146.23	124.81
2	Depreciation Expenses	415.34	346.69	(68.65)
3	Interest on Loan Capital	212.04	231.27	19.23
4	Interest on Working Capital	43.57	47.83	4.26
5	RLDC Fees and WRPC Charges	712.36	712.36	0.00
6	Reactive Energy Charges paid to Generators/TSUs	0.00	0.00	0.00
7	Income Tax	0.00	0.00	0.00
8	Total Revenue Expenditure	3404.72	3484.38	79.66
9	Return on Equity Capital	231.20	249.50	18.30
10	Total Expenditure for MSLDC	3635.93	3733.88	97.95
11	Less: Non-Tariff Income	17.18	213.88	196.70

Sr. No.	Particulars	FY 2017-18		
		Approved in Order 20 of 2016	April to March (Estimated)	Provisional Truing Up Requirement
12	Less: Income from Open Access charges	1077.31	1187.85	110.54
13	Less: Income from Reactive Energy Charges	0.00	0.00	0.00
14	Gross AFC	2541.45	2332.15	(209.30)
15	Less: Adjustment of Surplus	661.84	0.00	
16	Annual Fixed Charges for MSLDC	1879.60	2332.15	452.55
17	Revenue approved/actual	1879.60	1879.60	0.00
18	Stand-alone Revenue gap/(surplus)		452.55	

Thus, on provisional truing up for FY 2017-18, there is gap of Rs. 452.55 Lakh, treatment of which has been considered as part of the claim for FY 2018-19 and FY 2019-20.

Revised ARR Projection for FY 2018-19 and FY 2019-20

In the Order in Case No. 20 of 2016 dated 22 July, 2016, the approved AFC for FY 2018-19 and FY 2019-20 was Rs. 1925.19 Lakh and 1,944.36 Lakh respectively. The head-wise estimated expenditure against approved receipts and surplus/ shortfall shown is summarized in the table below:

Table 4: Summary of Annual Fixed Charges for FY 2018-19 to FY 2019-20 (Rs. Lakh)

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		Approved in Order 20 of 2016	Projected	Approved in Order 20 of 2016	Projected
1	Operation & Maintenance Expenses	2081.45	2788.56	2143.27	3148.55
2	Depreciation Expenses	448.75	383.48	479.92	398.12
3	Interest on Loan Capital	194.23	185.23	161.87	267.22
4	Interest on Working Capital	44.72	58.87	45.54	68.09
5	RLDC Fees and WRPC Charges	759.29	759.29	809.31	809.30
6	Reactive Energy Charges paid to Generators/TSUs	0.00	0.00	0.00	0.00
7	Income Tax	0.00	0.00	0.00	0.00
8	Total Revenue Expenditure	3528.45	4175.44	3639.91	4691.29
9	Return on Equity Capital	249.02	287.68	259.90	364.27
10	Total Expenditure for MSLDC	3777.47	4463.13	3899.80	5055.56
11	Less: Non-Tariff Income	17.18	188.88	17.18	163.88
12	Less: Income from Open Access charges	1149.28	1149.28	1226.64	1226.64
13	Less: Income from Reactive	0.00	0.00	0.00	0.00

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		Approved in Order 20 of 2016	Projected	Approved in Order 20 of 2016	Projected
	Energy Charges				
	Gross AFC	2611.02	3124.97	2655.99	3665.04
	Add: Impact of sharing of G&L				
	Less: Adjustment of Surplus	685.83	0.00	711.62	0.00
14	Annual Fixed Charges for MSLDC	1925.19	3124.97	1944.36	3665.04
	Revenue approved/actual	1925.19	3124.97	1944.36	3665.04
	Standalone Revenue gap/(surplus)		0.00		0.00
15	Add: Revenue gap/surplus of FY 2015-16 after final truing-up (a)		(499.10)		
16	Add: Revenue gap/surplus of FY 2016-17 after truing-up (b)		(1011.78)		
17	Add: Revenue gap/surplus of FY 2017-18 after provisional truing-up (c)		452.55		
18	Additional impact due to past period expense & gap/(surplus) = (a)+(b)+(c)		(1058.33)		
19	Amortization of Surplus over FY 2018-19 and FY 2019-20		(529.16)		(529.16)
20	Net Annual Fixed Charges for MSLDC (14)-(21)		2595.80		3135.88

Revised sharing of MSLDC Charges for FY 2018-19 to FY 2019-20

Table 5: Proposed sharing of MSLDC Charges for FY 2018-19 to FY 2019-20

(Rs. Lakhs)

Sharing of MSLDC Charges	FY 2018-19	FY 2019-20
MSEDCL	2159.60	2608.91
TPCL-D	104.53	126.28
REL-D	182.40	220.35
BEST	105.22	127.11
MBPPL	1.89	2.29
Indian Railway-Maharashtra	40.88	49.38
IRSL	1.29	1.56
Total	2595.80	3135.88

Further, as per the MYT Regulations, 2015, MSLDC Charges per MW per month has been computed in accordance with the following formula:

$$\text{Monthly MSLDC Charges (Rs. / MW / Month)} = [\text{AFC}(u)(t) \div \sum_{i=1} [\text{Base TCR}(u)](t)] \div 12$$

Accordingly, the projected monthly MSLDC Charges works out as under:

Table 6: Proposed MSLDC Charges for FY 2018-19 to FY 2019-20 (Rs. /MW/Month)

Monthly MSLDC Charges	FY 2018-19	FY 2019-20
Total MSLDC Charges (Rs. Lakh)	2595.80	3135.88
Base Transmission Capacity Right (MW)	21342.90	22410.05
Proposed MSLDC charges (Rs/MW/Month)	1013.53	1166.10

Proposed Fees

MSLDC humbly requests the Hon'ble Commission to allow MSLDC to levy and recover following proposed fees and charges for the Period for FY 2018-19 to FY 2019-20. The fees and charges has been proposed at the same level of existing approved fee and charges and no revision in existing fee and charges is proposed in the present MTR Petition.

Table 7: Proposed Fees and Charges for FY 2018-19 to FY 2019-20

Particulars	Proposed Charges
Registration/Connection Fees	Rs. 20,000 Per Connection
Scheduling Fees	Rs. 2,250 Per Day
Re-scheduling Fees	Rs. 2,250 Per Revision
STOA Application processing Fees	Rs. 7,500 Per Application
REC processing fees	Rs. 1,000 Per Application

Prayers

MSLDC respectfully prays the Hon'ble Commission to

1. Admit the Mid-Term Review Petition in accordance with Regulations 8.1 of the MERC MYT Regulations, 2015.
2. Allow true up of budget cost of operations of the Maharashtra State Load Despatch Centre (MSLDC) for FY 2015-16 based on the Audited Accounts and Allocation Statement for the financial year, according to principles set out in previous Orders issued by the Hon'ble Commission on MSLDC's Budget, applicable provisions under MERC (Multi Year Tariff) Regulations-2011 and other Regulations.
3. Allow True-up for FY 2016-17 and Provisional true up for FY 2017-18 according to applicable provisions under MERC (Multi Year Tariff) Regulations, 2015, and other Regulations.
4. Approve MSLDC Charges for FY 2018-19 and FY 2019-20 that would help in recovery of consolidated ARR including revenue gap/surplus for respective years of the Control Period.
5. Continue the various charges i.e., Short-term Open Access Application Processing Fees, Registration or Connection Fees, Scheduling Fees/Charges and Re-Scheduling Fees, Renewable Energy Certificate Processing Fees as approved by the Commission in MSLDC MYT Order in Case No. 20 of 2016 dated 22 July, 2016
6. Approve the SLDC's request for relaxation of certain parameters as sought in the Petition, while approving this MTR Petition.
7. Condone any shortcomings/deficiencies and allow MSLDC to submit additional information/data at a later state as may be required.

Dr. Sanjay S. Kulkarni
Chief Engineer
MSLDC

Place: Airoli, Navi Mumbai

Date: 2nd January 2018